

LEGISLATIVE AND OVERSIGHT ACTIVITIES
DURING THE 98TH CONGRESS BY THE
SENATE COMMITTEE ON
VETERANS' AFFAIRS

REPORT
OF THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE



MARCH 26 (legislative day, FEBRUARY 18), 1985.—Ordered to be printed

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CONTENTS

Excerpts from the Standing Rules of the Senate:	Page
Paragraph 8 of rule XXVI.....	1
Paragraph 1 of rule XXV.....	2
Report of the Committee on Veterans' Affairs regarding legislative and oversight activities in the 98th Congress:	
I. Introduction.....	2
A. Hearings.....	2
B. Legislation.....	3
II. VA Budget.....	3
A. First session.....	3
B. Second session.....	3
III. Service-connected disability compensation programs.....	4
A. Overview.....	4
B. First session.....	4
C. Second session.....	5
IV. Non-service-connected pension programs.....	6
A. Overview.....	6
B. First session.....	6
C. Second session.....	6
V. Health care.....	7
A. Overview.....	7
B. First session.....	7
C. Second session.....	12
VI. Radiation and agent orange exposure.....	17
A. Overview.....	17
B. First session.....	18
C. Second session.....	19
VII. Educational benefits.....	20
A. Overview.....	20
B. First session.....	20
C. Second session.....	21
VIII. Employment.....	21
A. Overview.....	21
B. First session.....	22
C. Second session.....	23
IX. Claims adjudication and judicial review.....	24
A. Overview.....	24
B. First session.....	24
C. Second session.....	24
X. Burial benefits.....	24
A. Overview.....	24
B. First session and second sessions.....	25
XI. Home loan guaranty program.....	25
A. Overview.....	25
B. First session.....	25
C. Second session.....	26

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Mr. MURKOWSKI, from the Committee on Veterans' Affairs,
submitted the following

REPORT

Pursuant to paragraph 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs submits its report on legislative and oversight activities during the 98th Congress. The statute provides that standing committees of the Senate review and study, on a continuing basis, the application, administration, and execution of those laws, or parts thereof, the subject matter of which is within their jurisdiction. In addition, each such committee is required to submit to the Senate, not later than March 31 of each odd-numbered year, a report detailing the activities of that committee for the preceding Congress. The text of paragraph 8 of rule XXVI is as follows:

EXCERPTS FROM THE STANDING RULES OF THE SENATE

RULE XXVI

COMMITTEE PROCEDURE

* * * * *

8. (a) In order to assist the Senate in—

(1) its analysis, appraisal, and evaluation of the application, administration, and execution of the laws enacted by the Congress, and

(2) its formulation, consideration, and enactment of such modifications of or changes in those laws, and of such additional legislation, as may be necessary or appropriate,

each standing committee (except the Committees on Appropriations and the Budget), shall review and study, on a continuing basis the application, administration, and execution of those laws,

or parts of laws, the subject matter of which is within the legislative jurisdiction of that committee. Such committees may carry out the required analysis, appraisal and evaluation themselves, or by contract, or may require a Government agency to do so and furnish a report thereon to the Senate. Such committees may rely on such techniques as pilot testing, analysis of costs in comparison with benefits, or provision for evaluation after a defined period of time.

(b) In each odd-numbered year, each such committee shall submit, not later than March 31, to the Senate, a report on the activities of that committee under this paragraph during the Congress ending at noon on January 3 of such year.

* * * * *

RULE XXV

STANDING COMMITTEES

1. The following standing committees shall be appointed at the commencement of each Congress, and shall continue and have the power to act until their successors are appointed, with leave to report by bill or otherwise on matters within their respective jurisdictions:

* * * * *

(p) Committee on Veterans' Affairs, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

1. Compensation of veterans.
2. Life insurance issued by the Government on account of service in the Armed Forces.
3. National cemeteries.
4. Pensions of all wars of the United States, general and special.
5. Readjustment of servicemen to civil life.
6. Soldiers' and sailors' civil relief.
7. Veterans' hospitals, medical care and treatment of veterans.
8. Veterans' measures generally.
9. Vocational rehabilitation and education of veterans.

* * * * *

REPORT OF THE COMMITTEE ON VETERANS' AFFAIRS REGARDING LEGISLATIVE AND OVERSIGHT ACTIVITIES IN THE 98TH CONGRESS

I. INTRODUCTION

A. HEARINGS

During the 98th Congress, the Committee held 27 days of hearings on legislative and oversight matters, and the legislative recommendations of veterans' service organizations. Among those were 5 days of hearings on VA health-care programs and related matters; 2 days of hearings concerning VA compensation and pension; 1 day of hearings on job training; 1 day of hearings on judicial review of

veterans' benefit claims; 3 days of hearings on VA budget and construction matters; 2 days of hearings concerning education; 1 day of hearings concerning burial benefits and services; 1 day of hearings concerning the VA's Home Loan Guaranty Program; and 3 days of hearings concerning issues related to veterans' exposure to Agent Orange or ionizing radiation.

B. LEGISLATION

The Committee met in open session 11 times and reported 8 bills to the Senate, the provisions of 6 of which, with modifications, were ultimately enacted into 7 public laws.

Those enacted into public law during the First Session include:

(1) The Emergency Veterans' Job Training Act of 1983, Public Law 98-77, August 15, 1983.

(2) Extension of the authority of the Veterans' Administration to provide certain contract medical services in Puerto Rico and the Virgin Islands, Public Law 98-105, September 30, 1983.

(3) The Veterans' Health Care Amendments of 1983, Public Law 98-160, November 21, 1983.

Those enacted into public law during the Second Session include:

(1) The Veterans' Compensation and Program Improvement Amendments of 1984, Public Law 98-223, March 2, 1984.

(2) The Deficit Reduction Act of 1984 (Title V of Division B), Public Law 98-369, July 18, 1984.

(3) The Veterans' Health Care Act of 1984, Public Law 98-528, October 19, 1984.

(4) The Veterans' Dioxin and Radiation Exposure Compensation Standards Act, Public Law 98-542, October 24, 1984.

(5) The Veterans' Benefits Improvement Act of 1984, Public Law 98-543, October 24, 1984.

II. VA BUDGET

A. FIRST SESSION

With regard to the VA budget for fiscal year 1984, the Committee held the following meetings: On February 16, 1983, the Committee met to consider the fiscal year 1984 budget request submitted by President Reagan. On March 15, 1983, the Committee ordered that a letter and supporting materials setting forth its budget views and estimates be transmitted to the Senate Budget Committee pursuant to the requirements of section 301(c) of the Congressional Budget Act of 1974, Public Law 93-344.

B. SECOND SESSION

With regard to the VA budget for fiscal year 1985, the Committee held the following meetings: On February 8, 1984, the Committee met to consider the fiscal year 1985 budget request submitted by President Reagan. On March 16, 1984, the Committee ordered to be transmitted to the Senate Budget Committee, pursuant to section 301(c) of Public Law 93-334, its recommendations for the fiscal year 1985 budget for veterans' benefits and services.

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III. SERVICE-CONNECTED DISABILITY COMPENSATION PROGRAMS

A. OVERVIEW

The VA's disability compensation program provides monthly cash payments to veterans who, because of service-connected disabilities, have suffered impairments of earning capacity. The amount paid in individual instances is contingent upon the nature of the veteran's disability, or combination of disabilities, and the extent to which earning capacity is deemed to have been impaired. In July of 1984 there were 2,252,779 veterans receiving compensation benefits.

Dependency and indemnity compensation (DIC) benefits are payable to the surviving spouse and children of a veteran whose death occurs during active duty or as a result of service-connected causes. This benefit is intended to compensate for the loss of family income, and DIC benefits are also payable to the needy surviving parents of veteran whose death is service connected. About 356,583 survivors are currently receiving benefits under this program.

A principal focus of the Committee's concern regarding VA compensation programs is the necessity to ensure that benefits are appropriately adjusted to keep pace with inflation. In the course of the 98th Congress, the Committee conducted hearings on this and other issues involving the need for improvements in these programs.

B. FIRST SESSION

During the First Session of the 98th Congress, the Committee held a hearing on June 8, 1983, to engage in oversight of the service-connected compensation and DIC programs and to consider S. 859, S. 995, S. 1187, S. 1318, S. 1371, S. 1401, S. 1402, S. 1403, and S. 1388, a bill to provide a cost-of-living adjustment (COLA) in compensation benefits. The Committee received testimony from the Veterans' Administration and various veterans' service organizations.

After reviewing the testimony, the Committee met in open session on July 21, 1983, to consider S. 1388 and related bills. The Committee voted unanimously to report S. 1388 with an amendment in the nature of a substitute derived in part from provisions of the aforementioned bills.

As reported (S. Rept. 98-249) on September 28, 1983, S. 1388 provided for a COLA in compensation and DIC benefits and made certain other improvements in veterans' programs. On November 18, 1983, the Senate passed S. 1388 as reported and as amended by amendment No. 2663. On February 8, 1984, the House agreed to the Senate amendments with amendments, and on February 9, 1984, the Senate passed the final version of S. 1388. The bill was enacted on March 2, 1984, as Public Law 98-223.

With respect to VA compensation programs, Public Law 98-223, the Veterans' Compensation and Program Improvements Amendments of 1984 contained provisions which:

- (1) Provided a 3.5-percent COLA effective April 1, 1984, in the rates of compensation paid to service-connected disabled veterans and DIC paid to survivors. The April 1, 1984, effective

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date, which was 6 months later than the usual effective date (October 1) for these COLA's, corresponded to 6-month delays in COLA's for other Federal income maintenance programs.

(2) Added dysthymic disorder (or depressive neurosis) to the list of diseases presumed to be service connected when suffered by certain former prisoners of war.

(3) Increased the rate of compensation payable to certain blinded veterans who also suffer from service-connected hearing loss.

C. SECOND SESSION

During the Second Session of the 98th Congress, the Committee held a hearing on June 27, 1984, to consider S. 2267, S. 2268, S. 2451, S. 2737, S. 2759, S. 2760, and S. 2736, a bill to provide a COLA in compensation and DIC benefits, and other measures related to veterans' benefits. Testimony concerning these legislative proposals was received from representatives of the Veterans' Administration and various veterans' service organizations.

After reviewing the testimony, the Committee met in open session on July 25, 1984, and voted unanimously to report S. 2736 with an amendment in the nature of a substitute derived in part from the provisions of the aforementioned bills.

As reported (S. Rept. 98-604) on September 17, 1984, S. 2736 provided for a COLA in compensation and DIC benefits and certain other improvements in veterans' programs. On October 2, 1984, the Senate passed H.R. 5688, after striking all after the enacting clause and inserting in lieu thereof the provisions of S. 2736 as reported and, as amended by unprinted amendments Nos. 6909 and 6910. On October 5, 1984, the House concurred in the Senate amendments, with amendments, and on October 9, 1984, the Senate agreed to the House amendments and final passage occurred. H.R. 5688, the Veterans' Benefits Improvement Act of 1984 was signed by the President on October 24, 1984, as Public Law 98-543.

With respect to VA compensation programs, Public Law 98-543, the Veterans' Benefits Improvement Act of 1984:

(1) Provided a 3.2-percent increase, effective December 1, 1984, in the rates of compensation paid to service-connected disabled veterans and DIC paid to survivors.

(2) Increased from \$4,400 to \$5,000 the maximum amount of a VA automobile assistance grant and generally limited to two the number of vehicles a veteran may have adapted during any 4-year period.

(3) Raised from \$32,500 to \$35,500 and from \$5,000 to \$6,000 the maximum limitations on VA specially adapted housing grants.

(4) Established a 4-year program—from February 1, 1985, through January 31, 1989—providing certain protection for veterans whose service-connected disabilities are rated less than totally disabling but who are assigned service-connected total disability ratings by reason of individual determinations of unemployability ("IU ratings") when such veterans wish to try to return to work; requiring each veteran receiving an IU rating to undergo a vocational rehabilitation evaluation and

encouraging such veterans, if feasible, to participate in VA vocational rehabilitation; and making certain counseling and employment services available to all veterans with IU ratings.

IV. NON-SERVICE-CONNECTED PENSION PROGRAMS

A. OVERVIEW

The VA pension programs provide need-based income-security benefits to wartime veterans who are totally and permanently disabled from non-service-connected causes, or have reached the age of 65, and to the needy surviving spouses and children of wartime veterans. In September 1984, there were approximately 1,530,814 VA pension recipients—729,520 veterans and 801,294 surviving spouses and children.

B. FIRST SESSION

Under the current VA pension program, which went into effect on January 1, 1979, cost-of-living adjustments (COLA's) are indexed by law to increases in Social Security benefits, which are based on the rise in the Consumer Price Index and occur at the same time. Prior to 1983, those COLA's have become effective on June 1 of each year. However, in 1983, the Administrator proposed, and Congress enacted, a 6-month delay in annual COLA's for this program, making them effective on December 1 of each year, beginning with 1983.

C. SECOND SESSION

On July 18, 1984, Congress enacted the Deficit Reduction Act of 1984, Public Law 98-369, with respect to non-service-connected pension benefits, section 2501 of that law, effective with respect to applications received after September 30, 1984:

(1) Generally eliminated retroactive awards of disability pension to veterans—currently provided where the application is received within 1 year from the date on which the veteran became permanently and totally disabled—for the period between the date of disability and the date the veteran filed an application for pension, but provided an exception for a veteran who has a disability that, for a period of at least 30 days beginning on the date of permanent and total disability, prevents him or her from applying for pension.

(2) Shortened the period for retroactive awards of death pension to survivors of war veterans by reducing, from 1 year to 45 days, the period during which a survivor must file an application for death pension in order to receive a retroactive award for the period between the date of the veterans' death and the date of application.

As previously noted, the Committee reported on September 17, 1984, legislation subsequently enacted, on October 24, 1984, as the Veterans' Benefits Improvements Act of 1984 (Public Law 98-543).

With respect to non-service-connected pension benefits, Public Law 98-543:

(1) Established a 4-year pilot program of vocational training for non-service-connected disabled veterans who receive awards

of pension during the period February 1, 1985, through January 31, 1989.

(2) Provided temporary protection of VA health-care eligibility to veterans who participate in this pilot program.

V. HEALTH CARE

A. OVERVIEW

The VA's Department of Medicine and Surgery administers a national health-care network for the purpose of providing a complete medical and hospital service for the medical and rehabilitative care and treatment of eligible veterans. The VA health-care system is an integrated national system of teaching hospitals, general and specialty clinics, research centers, nursing homes, and other facilities providing a broad range of inpatient and outpatient health-care services to the Nation's 28.2 million veterans.

The VA provides health care through 172 hospitals, 227 outpatient clinics, 105 nursing home care units, 16 domiciliary care facilities, and readjustment counseling of Vietnam-era veterans through 136 counseling centers and satellites. In fiscal year 1984, VA hospitals provided inpatient care to an estimated 1,279,779 veterans and conducted 18 million outpatient visits; VA nursing home care and domiciliary care units provided care to more than 30,200 veterans; hospitals and nursing homes under contract to the VA provided care to 65,762 veterans; and care was provided through State veterans' facilities to 25,803 veterans. In addition, hospital care for approximately 364 individuals and 141,405 outpatient visits were provided through CHAMPVA—the Civilian Health and Medical Program of the Veterans' Administration. Under CHAMPVA reimbursements for the cost of health care obtained in private health-care facilities are provided to the spouse and dependent children of a veteran who has a permanent and total service-connected disability and also the survivors of veterans who either died as a result of a service-connected disability or at the time of death had a permanent and total service-connected disability.

B. FIRST SESSION

On March 9 and 10, 1983, the Committee held hearings to consider various proposed improvements in VA health-care programs. The Committee considered: S. 11, S. 567, S. 578, S. 629, and S. 664. Testimony was received from representatives of the Veterans' Administration, Office of Personnel Management, the National Council on the Aging, Inc., American Association for Respiratory Therapy, American Physical Therapy Association, National Federation of Licensed Practical Nurses, Office of Technology Assessment, American Chiropractic Association, and various veterans' service organizations.

On April 20, 1983, the Committee met in open session and voted unanimously to report favorably S. 578 with an amendment in the nature of a substitute (S. Rept. 98-145).

On June 28, 1983, the Senate passed H.R. 2920 after striking out all after the enacting clause and inserting in lieu thereof the text of S. 578 as reported. On November 2, 1983, the House agreed to

Senate amendment to H.R. 2920 with amendments. On November 3, 1983, the Senate agreed to House amendments. On November 21, 1983, H.R. 2920, Veterans' Health Care Amendments of 1983, was signed by the President as Public Law 98-160.

As enacted the provisions of Public Law 98-160:

(1) Provided Vietnam-era veterans with permanent eligibility for readjustment counseling for their psychological or other readjustment problems by eliminating the date—September 30, 1984, in nearly all cases—by which they may request readjustment counseling from the VA.

(2) Postponed from October 1, 1984, until October 1, 1988, the date for completing the transition of the Vietnam-era veterans' readjustment counseling program from a program run primarily through Vet Centers (which are located apart from VA hospitals and clinics) to a program run primarily through VA health-care facilities. Likewise the deadline for the VA to report to the House and Senate Committees on Veterans' Affairs on its actions and plans regarding that transition was postponed from April 1, 1984, to July 1, 1987.

(3) Directed the Administrator of Veterans' Affairs to conduct a study of Vietnam-era veterans to determine the prevalence and incidence of post-traumatic-stress disorder (PTSD) and other psychological problems in readjusting to civilian life and the effects that PTSD and those other problems have on those veterans. The study is required to be designed with particular emphasis on veterans with service-connected disabilities and with specific reference to women veterans. The Administrator, not later than October 1, 1986, must submit to the Committees on Veterans' Affairs a report on the results of the study, the VA's capability to treat the number of veterans suffering from PTSD and other psychological problems in readjusting. VA disability compensation policies and procedures regarding PTSD and those problems, and the Administrator's efforts to coordinate VA health-care and compensation programs with respect to PTSD.

(4) Required the Administrator, not later than April 1, 1987, to submit to the Committees on Veterans' Affairs a report on the Administrator's evaluation of the effectiveness of the VA's readjustment counseling and followup mental health services programs in helping to meet the readjustment needs of Vietnam-era veterans—with the report giving particular attention, in light of the results of the study described in item 3, above, to the VA's provision of counseling and services to veterans suffering from PTSD. The report must also indicate the Administrator's opinion as to the extent Vietnam-era veterans' readjustment needs remain unmet, the extent to which the provisions of readjustment counseling services through facilities apart from VA health-care facilities is needed to meet those needs, and the Administrator's recommendations for changes, if any, in the provision described in item 2, above, regarding the transition of the readjustment counseling program.

(5) Authorized the VA, until September 30, 1988, to provide adult day health-care services as a noninstitutional, alternative form of care for veterans who are eligible for transfer to com-

munity (non-VA) nursing homes for care at VA expense or who have service-connected disabilities rated at 50-percent-or-more disabling. If such care is provided, the Administrator is required to conduct a study of the medical efficacy and cost-effectiveness of such care and of the comparative advantages of providing such care through VA and community facilities and report to the Committees on Veterans' Affairs, not later than February 1, 1988, on the results of that study.

(6) Codified and clarified the VA's authority to conduct a community residential-care program under which the VA refers veteran-patients to, and helps them obtain placement in, community residential-care facilities that it has approved under its own standards.

(7) Increased from \$6.35 to \$7.30 for domiciliary care, from \$12.10 to \$17.05 for nursing care, and from \$13.25 to \$15.25 for hospital care—the rates of per diem payments made by the VA to State Veterans' Homes for the care of veterans and required the Administrator to submit a report to the Committee on Veterans' Affairs by June 30, 1986, and by June 30 every third year thereafter, on the adequacy of those rates in light of projections of demand on the VA for nursing home care.

(8) Authorized the provision of preventive health-care services to persons otherwise receiving health care from the VA.

(9) Made mandatory a discretionary pilot program of preventive health-care services for certain service-connected disabled veterans; extended the program, with a \$15 million annual cap on expenditures, through fiscal year 1988; and required the Administrator to provide through the program at least one preventive health-care service to each veteran receiving VA care for a service-connected disability and to each veteran with 50-percent-or-more service-connected disability rating who is otherwise being furnished VA health care for any disability.

(10) Required the Administrator to submit, not later than December 1, 1983, to the Committees on Veterans' Affairs a report containing the Administrator's plans for meeting the health-care needs of veterans in Puerto Rico and the Virgin Islands.

(11) Prohibited the Administrator from making beneficiary-travel payments after January 1, 1984, with certain exceptions, unless regulations required by section 111(e)(2)(A) of title 38, United States Code, relating to such payments, had been published by that date; required the Administrator to conduct a review of the beneficiary-travel reimbursement program for the purpose of effecting management improvements and economies in the program; and required the Administrator, by April 1, 1984, to submit to the Committees on Veterans' Affairs a report on that review.

(12) Authorized the Administrator, without regard to civil service laws, rules, and regulations, to establish the qualifications for and to appoint certified or registered respiratory therapists, licensed physical therapists, and licensed practical or vocational nurses in the VA's Department of Medicine and Surgery (DM&S); provided the Administrator with certain new authorities with respect to the promotion and advancement of

DM&S personnel in those three occupations; required the Administrator to observe principles of veterans preference in the hiring of personnel in those occupations; and repealed the provision making subject to review by the President the Administrator's exercise of the authority to adjust minimum, intermediate, or maximum rates of basic pay for personnel in those occupations when necessary for recruitment and retention purposes in certain circumstances.

(13) Authorized the Administrator, when and to the extent necessary for recruitment or retention purposes, to use the VA nurses additional pay authorities (e.g., overtime and weekend pay authorities) in compensating personnel in the categories listed in item 12, above.

(14) Authorized the Administrator, after considering a potential employee's existing pay or higher or unique qualifications, or the special needs of the VA, to appoint that individual to a direct patient-care position in DM&S at a rate of pay above the minimum of the appropriate grade.

(15) Required that the majority of individuals serving on a disciplinary board considering charges against a DM&S employee in one of certain categories be in the same occupational category as the employee against whom the charges were brought.

(16) Required the Administrator and the Director of the Office of Personnel Management, not later than January 1, 1984, to submit a joint report to the Committees on Veterans' Affairs on the efforts made to carry out the recommendations made in the VA's September 1, 1982, report entitled "Study of the Feasibility and Desirability of Converting Selected Health Care Occupations to Title 38, United States Code"; required the Administrator, within 90 days after the date of enactment, to submit to the Committees a report on the status of the implementation of the provisions summarized in items 12 through 14, above; and required the Administrator, not later than September 30, 1985, to submit to the Committees a report on the results of the VA's use of the authorities granted in those provisions and the VA's ongoing efforts to develop and carry out programs of education and training for career advancement for certain health-care personnel employed in DM&S.

(17) Required the establishment of an Advisory Committee on Women Veterans to advise the Administrator on women veterans' needs for compensation, health care, rehabilitation, outreach, and other VA programs, reports and studies pertaining to women veterans, and on the administration of VA benefits for women veterans.

(18) Required the Advisory Committee to submit to the Administrator by July 1, 1984, and by July 1 every second year thereafter, a report containing an assessment of the needs of women veterans for compensation, health care, rehabilitation, outreach, and other VA programs, a review of VA programs designed to meet those needs, and any recommendations for legislative and administrative action that the Advisory Committee considers appropriate. Within 60 days after receiving

each report, the Administrator is required to submit it, together with any comments the Administrator considers appropriate, to the Congress.

(19) Required the Administrator to ensure that each VA health-care facility is able to meet—through its own personnel or through sharing or certain other contractual arrangements—the gender-specific health-care needs of women veterans.

(20) Gave the Administrator final authority regarding the disposal of any real property under VA jurisdiction.

(21) Extended from 30 days following notice to the Veterans' Affairs Committees to 180 days following such notice, the period during which the VA is precluded from transferring real property to another Federal agency or a State or reporting real property as excess.

(22) Authorized the Administrator to release the reversionary interest of the United States in a parcel of land previously conveyed to the city of Biloxi, Mississippi, in 1966.

(23) Made certain Congressional findings regarding the great importance of VA programs and expressed in view of those findings, the sense of the Congress that the Administrator of Veterans' Affairs should be designated by the President as a member of the Cabinet and should be the President's principal adviser on all matters pertaining to veterans and their dependents.

(24) Required the Administrator to contract for the conduct of epidemiological study of the long-term health effects of veterans' exposure to ionizing radiation from detonation of nuclear devices and required other actions relating to this issue (described more fully in the Radiation Exposure and Agent Orange section).

(25) Provided for continuing VA health-care eligibility for an individual who suffered injury while receiving VA health-care or vocational-rehabilitation services, who accepts a settlement or receives a court judgment for a tort claim in connection with such injury, but only to the extent provided for in the settlement agreement or court judgment.

In addition, one of the provisions of S. 578 as reported, which extended for 1 year the authority of the VA to provide certain contract medical services in Puerto Rico and the Virgin Islands, was considered separately by the Senate and enacted on September 30, 1983, as Public Law 98-105.

Throughout both the first and second sessions of the 98th Congress, the Committee monitored carefully the general manner in which the VA meets its responsibility to provide quality hospital and medical care and service to eligible veterans.

On July 13, 1983, the Committee held an oversight hearing to examine certain issues pertaining to veterans' health care. Among the issues considered by the Committee were the availability of medical care to individuals who reside in rural areas; the supervision of medical residents in VA medical facilities; and the guidelines and assumptions used in nursing home planning. The Committee heard testimony from Senator Cohen, representatives of the

Veterans' Administration, and various veterans' service organizations.

Also throughout both sessions of the 98th Congress, the Committee monitored closely the planning process for construction of medical facilities. On March 23, 1983, the Committee held a hearing to examine the VA's fiscal year 1984 major construction project proposals. Testimony was received from representatives of the Veterans' Administration, the Hospital Corporation of America, and various veterans' service organizations. Section 5004(a) of title 38, United States Code, provides that no appropriation may be made for the construction, alteration, or acquisition of any VA medical facility costing more than \$2 million, or for the lease of any medical facility at an annual rental of more than \$500,000 without the prior approval of both the Senate and House Veterans' Affairs Committees.

Pursuant to section 5004(a) of title 38, United States Code, on June 9, 1983, by a poll of its members, the Committee adopted a resolution approving 34 medical facility construction projects and working drawings for five construction projects for VA medical facilities and one medical facility lease.

C. SECOND SESSION

On April 11, 1984, the Committee held a hearing to consider various proposed improvements in health-care programs. The Committee considered: S. 2210, S. 2269, amendment No. 2850 to S. 2269, S. 2278, and S. 2514. Testimony was received from representatives of the Veterans' Administration, Office of Technology Assessment, Duke University Medical School, Harvard University Medical School, Baltimore Alcoholism Treatment Center, Association of Halfway House Alcoholism Programs of North America, Inc., Hospice of Northern Virginia, Serenity House Alcoholism Recovery Program, and various veterans' service organizations.

The Committee met in open session on May 9, 1984, and voted unanimously to report S. 2514 with an amendment in the nature of a substitute—derived in part from provisions of other bills before the Committee. On August 9, 1984, the Senate passed H.R. 5618, after striking all after the enacting clause and inserting in lieu thereof the provisions of S. 2514 as reported on May 25, 1984 (S. Rept. 98-487), and as amended by amendment No. 3662. On October 2, 1984, the House agreed to the Senate amendments to H.R. 5618 with amendments. On October 3, 1984, the Senate agreed to the House amendments and final passage occurred. The bill was signed by the President on October 19, 1984, as Public Law 98-528.

As enacted the provisions of Public Law 98-528:

- (1) Required the Administrator of Veterans' Affairs, after consulting with the Attorney General, to prescribe regulations to provide for security and law enforcement on VA property, including rules for conduct on VA property and penalties (fines not to exceed \$500 or imprisonment for not more than 6 months, or both) for the violation of the rules; and required that the rules and the penalties for the violation of the rules be posted on VA property.

(2) Provided for VA police officers to enforce the rules for conduct and Federal law on VA property; authorized VA police officers to make arrests on VA property for violations of those rules and laws; and required the Administrator to prescribe regulations with respect to VA police officers. The Administrator must include in the regulations the scope and duration of training (with particular emphasis on dealing with situations involving patients), rules limiting the carrying and the use of weapons, and, after consulting with the Attorney General, policies on the exercise of enforcement and arrest authorities.

(3) Authorized the Administrator, when necessary for recruitment or retention purposes, to increase the minimum, intermediate, or maximum rates of basic pay for VA police officers. This authority to increase rates of basic pay may be used only where needed to provide pay competitive with pay of similar personnel employed by non-Federal employers in the same labor market, achieve adequate staffing at particular facilities, or recruit personnel with specialized skills. Any increase proposed by the Administrator would be subject for a 90-day period to a veto by the President.

(4) Authorized the Administrator to pay an allowance (in lieu of an allowance under section 5901 of title 5, United States Code) to VA police officers for the purchase of uniforms and provided that the allowance may be based on estimated average costs or actual costs and may vary by geographic region. The allowance may not exceed \$200 a year, except for the payment of a one-time allowance of up to \$400 to be paid at the beginning of a VA police officer's employment with the VA, or in the case of VA police officers whose employment began before the Administrator's initial exercise of this authority, the one-time allowance would be paid upon the request of the officer. A VA police officer who resigns less than 1 year after receiving the one-time allowance must repay the VA a prorated amount of the allowance based on the number of months he or she was employed during the 12-month period following the date that the officer began the employment or the date that the officer requested the allowance. Allowances could not be paid to a VA police officer under both this and the title 5 authority (noted above) for the same fiscal year.

(5) Required the Administrator to provide VA police officers with necessary and appropriate weapons and related equipment; authorized the Administrator to use facilities and services of Federal, State, and local law enforcement agencies, with the permission of the head of the agency concerned, when it is economical and in the public interest to do so; and provided that existing VA authorities related to security and law enforcement on VA property would remain in effect until the Administrator prescribed the regulations required by this Act.

(6) Required the Administrator, not later than 180 days after the date of enactment, to submit to the Committees on Veterans' Affairs a report on the implementation of the provisions described in items (1)-(5), above.

(7) Modified the due date of a Comptroller General report regarding the actions of the Director of the Office of Manage-

ment and Budget in certifying the authority for and funding of VA Department of Medicine and Surgery (DM&S) personnel ceilings.

(8) Extended, by 1 year, until September 30, 1985, the Administrator's authority to provide certain contract health care in Puerto Rico and the Virgin Islands in order to provide hospital care for non-service-connected disabilities and outpatient care to obviate the need for hospital admission for such disabilities.

(9) Provided a permanent authorization of appropriations to support the research and education activities of the VA's Geriatric Research, Education, and Clinical Centers (GRECC's).

(10) Authorized the VA to provide a matching-fund grant to a State to enable the State to acquire an existing facility to use as a State veterans' nursing home or domiciliary.

(11) Required the Administrator to seek to coordinate the provision of VA benefits and services (and information about VA benefits and services), with programs conducted by State and local public and private agencies (and information about those programs) and required the Administrator, in carrying out this provision, to place special emphasis on veterans who are 65 years old or older.

(12) Authorized the Administrator to provide devices to assist in overcoming the handicap of deafness (including telecaptioning television decoders) to veterans who are profoundly deaf and entitled to disability compensation on account of hearing impairment.

(13) Authorized the Administrator, when necessary for recruitment or retention purposes, to increase the minimum, intermediate, or maximum rates of basic pay for clinical or counseling psychologists working in DM&S who are board certified (accredited as diplomates in psychology by an accrediting authority approved by the Administrator). This authority to increase rates of pay may be used only where needed to provide pay competitive with pay of such psychologists employed by non-Federal health-care employers in the same labor market, achieve adequate staffing at particular facilities, or recruit personnel with specialized skills.

(14) Authorized the Administrator to waive certain mandatory reductions in military retirement or retainer pay of Federal employees if necessary to meet special or emergency employment needs in DM&S resulting from a severe shortage of well-qualified candidates in certain physician positions which otherwise could not be readily met.

(15) Authorized the VA's Chief Medical Director (CMD) to designate special programs for the diagnosis and treatment of post-traumatic-stress disorder (PTSD) and required the CMD to direct that these designated PTSD programs (in addition to providing diagnosis and treatment services for PTSD) promote the education and training of health-care personnel in the causes, diagnosis, and treatment of PTSD and coordinate these services with the VA's readjustment counseling program for Vietnam-era veterans.

(16) Required the CMD to establish a Special Committee on PTSD and to appoint qualified employees of DM&S to serve on the Committee and required the Special Committee (a) to assess the VA's capacity to provide diagnosis and treatment for PTSD to veterans eligible for VA health-care services, (b) to advise the CMD on policies, guidance, and coordination of services for the diagnosis and treatment of PTSD by VA programs, including designated PTSD programs, inpatient psychiatric programs, outpatient mental health programs, and readjustment counseling programs, and (c) to make recommendations to the CMD for guidance with respect to PTSD, including guidance on diagnostic and treatment methods, followup care, evaluation of PTSD treatment programs, the conduct of research, education and training relating to PTSD, allocation of resources for PTSD treatment, and steps to improve diagnosis and treatment and to correct deficiencies in designated PTSD programs.

(17) Required to CMD to establish and operate a National Center on PTSD to train health-care and related personnel in, and conduct research into, the causes and diagnoses of PTSD and the treatment of veterans for PTSD and to serve as a resource center for the coordination and the exchange of information regarding research and training with respect to PTSD.

(18) Required the CMD regularly to compile and publish the results of PTSD research.

(19) Required the Administrator, not later than March 1, 1985, to submit to the Committees on Veterans' Affairs a report on the Administrator's efforts to implement the PTSD provisions described in items (15)-(18), above. This report would include: A list of the members of the Special Committee; a list of all designated PTSD and other programs providing treatment for PTSD, together with a description of the resources allocated for each program, a description of the education and training provided for VA health-care personnel on the diagnosis and treatment of PTSD, and specification of the funding allocated to each designated PTSD program and other VA programs to support research relating to PTSD; the CMD's assessment regarding the capability of the VA to meet the needs for inpatient and outpatient PTSD diagnosis and treatment of veterans who served in the Republic of Vietnam during the Vietnam era, former prisoners of war, and other veterans eligible for VA health-care services, the efficacy of the treatment provided, and a description of the results of evaluations of PTSD treatment programs; the Special Committee's plans for further assessments of the VA's capability to diagnose and treat PTSD; the Special Committee's recommendations to the CMD (discussed in item 16, above) and the CMD's views on the recommendations; a summary of the results of VA-conducted research on PTSD; a description of steps taken, plans made, and resources to be applied to establish the Special Committee and the National Center; the Administrator's assessment of the VA's capacity, in all geographic areas of the United States, to diagnose and treat veterans with PTSD; and any plans and timetable for increasing that capacity. The Administrator

would be required, not later than February 1, 1986, and February 1 of each of the three following years, to submit to the Committees on Veterans' Affairs a report updating the information submitted in prior reports.

(20) Required the Administrator, not later than 6 months after the date of enactment, to publish guidelines for the treatment and rehabilitation of veterans for alcohol or drug dependence or abuse disabilities in VA facilities and to submit to the Committees on Veterans' Affairs a report (including a copy of the guidelines) on the implementation of this provision.

(21) Required the Administrator, not later than September 30, 1985, to submit to the Committees on Veterans' Affairs a report on VA programs for terminally ill veterans, including programs of palliative care (pain relief), supportive counseling, and other medical services to terminally ill veterans and supportive counseling to members of the families of terminally ill veterans. The report would include: A review of VA policies and guidelines on such care, counseling, and services; a review of the care, counseling, and services provided by the VA; an analysis and a comparison of the care, counseling, and services furnished in hospice and other VA programs; an explanation of how the care, counseling, and services are or will be included in the VA's plans for providing health care to older veterans; and a review of any steps taken to exchange information between VA facilities providing such care, counseling, and services and non-VA facilities providing such care, counseling, and services and non-VA facilities providing similar care, counseling, and services.

(22) Stated Congressional findings about the usefulness of conducting a study of the use of VA facilities by veterans living in remote areas and required the Administrator to conduct a study to develop information about eligible veterans who reside in remote areas and to develop alternative approaches for providing those veterans with VA health-care services. The Administrator is required, as part of the study, to develop statistics on the number of eligible veterans who reside in certain rural areas during fiscal year 1985 and the number of such eligible veterans who receive VA health-care services during fiscal year 1985 and also develop additional statistics and information determined by the Administrator to be appropriate.

(23) Required the Administrator, not later than January 1, 1986, to submit to the Committees on Veterans' Affairs a report on the study described in item (22), above. The report is to include the Administrator's findings on the need for the VA to increase health-care services in remote areas, and the Administrator's findings and recommendations regarding the advantages and disadvantages of the VA contracting for and making other arrangements for providing health-care services to eligible veterans in remote areas.

(24) Required the Administrator, not later than July 1, 1986, to submit to the Committees on Veterans' Affairs a report describing an experimental program to be carried out in five remote areas to demonstrate alternative approaches for the

VA to provide health-care services to eligible veterans in remote areas, including a description of the services, a breakdown of the costs, and the Administrator's recommendations on the advisability of carrying out any such project and for any other legislative or administrative action.

(25) Required the Administrator to execute such legal documents as are necessary to permit a certain parcel of land in Los Angeles, California (previously transferred from the Veterans' Administrator to the State of California), to be used for education or cultural purposes in addition to its current permissible use for a research and medical center. The property involved would revert to the United States if it ceased to be used for such purposes.

(26) Designated the VA Medical Center in Murfreesboro, Tennessee, as the "Alvin C. York VA Medical Center" and designated the VA Medical Center in Milwaukee, Wisconsin, as the "Clement J. Zablocki VA Medical Center".

The VA's activities with respect to quality assurance within the Veterans' Administration's Department of Medicine and Surgery were a matter of particular concern to the Committee during the 98th Congress. Therefore, the Committee held a hearing on June 6, 1984, to examine the VA's policies and programs pertaining to quality assurance, including the role of the Medical Inspector and Evaluation Office in ensuring that such policies are implemented and monitored. Testimony was received from representatives of the Veterans' Administration, the Department of Defense, and Georgetown University School of Medicine.

On February 8 and May 9, 1984, the Committee met to examine, among other things, the proposed major health-care construction projects requested to be authorized by the Committee. The VA's proposed construction budget for fiscal year 1985 was \$821.8 million in budget authority. The Committee heard testimony from representatives of the Veterans' Administration and various veterans' service organizations.

Pursuant to section 5004(a) of title 38, United States Code, the Committee adopted a resolution by a poll of its members on May 24, 1984, approving 55 medical facilities construction projects, working drawings for three projects, and one medical facility lease.

VI. RADIATION AND AGENT ORANGE EXPOSURE

A. OVERVIEW

Beginning in 1945 and continuing until 1963 the United States exploded some 235 nuclear weapons in atmospheric tests, exposing certain test participants to low levels of ionizing radiation. Some 200,000 individuals who participated in those tests are now veterans. The Committee continued to look into possible adverse health effects of such exposure as well as exposure to radiation in Hiroshima or Nagasaki, Japan.

The matter of the possible long-term adverse health effects of veterans' exposure in Vietnam, to dioxin produced during the manufacture of the defoliant known as Agent Orange that was widely used by U.S. forces in Vietnam, is of great concern to Vietnam vet-

erans, their families, and the public. During the 98th Congress, the Committee held 3 days of hearings that included investigations of these issues.

B. FIRST SESSION

During the First Session of the 98th Congress, the Committee held a hearing on April 6, 1983, to consider various issues related to veterans' exposure to ionizing radiation from the detonations of nuclear devices in Hiroshima or Nagasaki during atmospheric tests conducted by the United States. Testimony was heard from representatives of the Defense Nuclear Agency, the Veterans' Administration, Centers for Disease Control, and various veterans' service organizations.

The Committee also held hearings on June 15 and 22, 1983, to consider various bills concerning veterans' exposure to Agent Orange. At this hearing, the Committee considered: S. 374, S. 786, and S. 991, a bill to require regulations providing for the resolution of VA benefits claims based on certain exposures to herbicides containing dioxin, to ionizing radiation from detonations of nuclear devices, and to certain other hazardous substances. Testimony was received from representatives of Department of Health and Human Services, National Institutes of Health, Office of Technology Assessment, Centers for Disease Control, National Institute of Occupational Safety and Health, U.S. Air Force Medical Corps, Department of the Army, Armed Forces Institute of Pathology, the Veterans' Administration, and various veterans' service organizations.

On November 18, 1983, the Committee, by the unanimous consent of the Senate, was discharged from further consideration of S. 1651, a bill derived from S. 991 to provide for a presumption of service connection to be established by the Administrator of the Veterans' Administration for certain diseases of certain veterans exposed to dioxin or radiation during service in the Armed Forces.

In addition to the above described action regarding compensation issues, legislation was enacted which contained provisions addressing certain other issues related to exposure to ionizing radiation.

These provisions which were included in Public Law 98-160, the Veterans' Health Care Amendments of 1983, enacted on November 21, 1983 (described above in the "Health Care" section):

- (1) Required the Administrator to contract for the conduct of epidemiological study of the long-term health effects of veterans' exposure to ionizing radiation from detonations of nuclear devices, but relieved the Administrator of that study requirement if and to the extent the Administrator, after consulting with the Director of the Office of Technology Assessment (OTA), determines such study not to be scientifically feasible; required the Administrator to notify appropriate committees of Congress of that determination; required the Director of OTA to monitor the development of the protocol or protocols for, and the conduct of, the study and to report to appropriate committees of Congress on such monitoring; required the Administrator to submit periodic reports on the status of the study; and precluded the Administrator from entering into a contract for the study unless appropriations have been provided in ad-

vance or the contract provides that payments will be contingent upon appropriations.

(2) Required the Administrator to develop and distribute to appropriate VA personnel an indexed reference guide designed to provide VA personnel with up-to-date medical and other scientific information on any long-term adverse health effects in humans from exposure to radiation.

(3) Required the President to coordinate executive branch ionizing radiation research efforts and, not later than 90 days after enactment, to submit to the appropriate committees of the Congress a report on the actions being taken to ensure such coordination.

C. SECOND SESSION

On May 22, 1984, the Senate passed H.R. 1961, after striking all after the enacting clause and inserting in lieu thereof the provisions of S. 1651, as amended by amendments Nos. 3088, 3089, 3090, and 3091. Senators Simpson, Thurmond, and Cranston were appointed as conferees to resolve the differences between the House- and Senate-passed measures. Subsequently, without the need for a formal conference, an agreement was reached and on October 3, 1984, the House concurred in the Senate amendments with amendments. Final passage occurred on October 4, 1984, when the Senate agreed to the House amendments. The bill was enacted on October 24, 1984, as Public Law 98-542. The Veterans' Dioxin and Radiation Exposure Compensation Standards Act, Public Law 98-542, includes provisions which:

(1) Mandated that the Administrator of Veterans' Affairs promulgate regulations that would establish guidelines and, where appropriate, standards and criteria for the adjudication of veterans' disability claims based on exposure to Agent Orange or ionizing radiation.

(2) Provided for the establishment of a Veterans' Advisory Committee on Environmental Hazards and a Scientific Council, comprised of experts on dioxin and radiation as well as lay members, to advise the VA Administrator with respect to issues related to exposure to dioxin or ionizing radiation and, through the Scientific Council, on the most current scientific knowledge with respect to diseases which may be associated with such exposures.

(3) Required that the Administrator after reviewing the findings of the Scientific Council, to prescribe regulations that must include (a) guidelines regarding the evaluation of the findings of the scientific studies relating to the possible adverse health effects of exposure to dioxin or ionizing radiation, and (b) the Administrator's determinations whether service connection should be granted in the adjudication of individual cases involving various specified disease and others as to which there is sound medical and scientific evidence of a relationship between exposure and any such disease.

(4) Provided for the payment of temporary disability benefits for the period of October 1, 1984, through September 30, 1986, to certain veterans who have either chloracne or porphyria cu-

tanea tarda (PCT) which manifested symptoms within 1 year after the date of the veteran's last departure from Vietnam while in service.

VII. EDUCATIONAL BENEFITS

A. OVERVIEW

Readjustment benefits under the GI bill consist of various types of educational assistance for eligible veterans, dependents, and survivors. The main purposes of such assistance are to help the veteran readjust to civilian life in a productive capacity, to compensate for the loss of educational or vocational opportunities during the veteran's period of service to the Nation, and to provide vocational rehabilitation opportunities to those whose ability to obtain employment has been impaired as a result of service-connected disability. In addition GI bill benefits have served as an incentive for the Armed Forces.

Educational assistance is also provided by the VA to the dependents of veterans with permanent and total disabilities and to the survivors of those whose deaths are service connected. Such assistance to these survivors and dependents is intended to compensate for the service-connected impairment of the veteran's ability to bear the cost of education of his or her family members and, in the case of the veteran's death, to assist the surviving spouse in attaining economic self-sufficiency.

Vocational rehabilitation opportunities are provided to service-connected disabled veterans under chapter 31 of title 38, United States Code. Under chapter 34 of title 38, educational assistance is provided to eligible Vietnam-era veterans and to servicepersons who entered the service between August 6, 1964, and January 1, 1977, and are otherwise eligible, in order to assist them in their readjustment to civilian life following military service. Survivors and dependents of veterans whose deaths or permanent and total disabilities are service connected are eligible for educational assistance under chapter 35. Under chapter 32, post-Vietnam-era veterans (those entering the service after December 31, 1976, and otherwise eligible) are entitled to participate in an educational assistance program wherein participants contribute from \$24 to \$100 of their monthly military pay. These contributions are then matched by the Department of Defense on a two-for-one basis when the veteran enrolls in an approved course of education.

Of the 666,996 participants in all VA educational assistance programs during fiscal year 1984, 528,648 were veterans and servicepersons receiving benefits under chapter 34; 71,174 were spouses, surviving spouses, sons and daughters receiving benefits under chapter 35; approximately 29,000 were veterans enrolled in vocational rehabilitation programs under chapter 31; and 38,310 were post-Vietnam-era veterans participating in training under chapter 32 in fiscal year 1984.

B. FIRST SESSION

The Committee held a hearing on March 16, 1983, to consider various bills relating to veterans' education. Included were S. 8, S.

9, and S. 667. The Committee examined closely these educational benefits during the first session; however, no legislative action was taken during that time.

C. SECOND SESSION

The Committee held a hearing on February 21, 1984, to consider various bills relating to veterans' education, several of which proposed new GI Bill Educational Programs. The Committee heard testimony from representatives of the Veterans' Administration, General Accounting Office, Congressional Budget Office, American Association of State Colleges and Universities, the Department of Defense, and various veterans' service organizations.

The Veterans' Educational Assistance Act of 1984 (title VII of the Department of Defense Authorization Act of 1985, Public Law 98-525) was enacted on October 19, 1984.

With respect to VA educational benefits Public Law 98-525:

(1) Created a new 3-year program to provide educational benefits to military members entering service between July 1 1985, and June 30, 1988, and who agree to a reduction in their basic pay of \$100 per month for the first 12 months of active duty.

(2) Established payment of educational benefits to those individuals in the amount of \$250 a month for 36 months in return for 2 years of active duty or \$300 a month for 36 months in return for 3 years of active duty.

(3) Allowed the Secretary of Defense discretion to increase rates up to \$400 a month for those with special or critical skills who enlist, and up to \$600 a month for those with critical or special skills who re-enlist after earning the basic benefit.

(4) Provided for a new entitlement to educational benefits amounting to \$140 worth of benefits earned for each 4 months of service for those enlisting, re-enlisting or extending an enlistment in the selected reserve.

(5) Provided an opportunity for those on active duty with entitlement of benefits under the Vietnam-era GI bill to earn enhanced benefits under this new program by serving an additional 3 years on active duty.

(6) Suspended the peacetime contributory educational program known as the Veterans' Educational Assistance Program (VEAP).

Included in Public Law 98-543, the Veterans' Benefits Improvement Act of 1984, are provisions which, effective October 1, 1984, increased by 10 percent the rates paid for veterans' educational and vocational rehabilitation benefits.

VIII. EMPLOYMENT

A. OVERVIEW

The Department of Labor has primary responsibility for the implementation of statutory provisions in regard to veterans' employment. Section 2002 of chapter 41, Job Counseling Training and Placement Service for Veterans in title 38, states congressional intent with respect to veterans' employment programs operated

through the Department of Labor's Veterans' Employment Service as follows: "The Congress declares as its intent that there shall be an effective (1) job and job training counseling program, (2) employment placement service program, and (3) job training placement service program for eligible veterans and eligible persons." Chapter 42 of title 38 provides for the employment and training of disabled and Vietnam-era veterans. Specifically, section 2012 requires certain Federal contractors, and certain of their subcontractors, to take affirmative action to employ and advance in employment qualified special disabled veterans and veterans of the Vietnam era. Section 2014 provides for Veterans Readjustment Appointments (VRA's) within the Federal Government. The purpose of the VRA authority is to assist certain disabled and educationally disadvantaged Vietnam-era veterans by making it possible for them to be hired noncompetitively up to a certain grade level (GS-9 or its equivalent). After 2 years of successful performance, the veteran's civil service status is converted to career conditional. Chapter 43 of title 38 provides re-employment protection to certain veterans.

The Office of Personnel Management has responsibility to implement the policy of the United States to promote the maximum of employment and job advancement opportunities within the Federal Government for qualified disabled veterans and veterans of the Vietnam era.

B. FIRST SESSION

On April 20, 1983, the Committee held a hearing to review veterans' employment programs and to consider S. 1033 and S. 992, bills to establish job training programs for certain wartime veterans. Testimony was heard from representatives of the Department of Labor, the Veterans' Administration, and various veterans' service organizations.

The Committee met in open session on May 11, 1983, to consider S. 1033. The Committee voted unanimously to report S. 1033 with an amendment in the nature of a substitute—derived in part from provisions of S. 1033 as introduced and S. 992 (S. Rept. 98-132). On June 15, 1983, the Senate passed H.R. 2355, after striking out all after the enacting clause and inserting in lieu thereof the text of S. 1033 as reported and amended by amendment No. 1407. On August 2, 1983, the House agreed to the Senate amendments, with amendments. On August 3, 1983, the Senate agreed to the House amendments. The measure was enacted on August 15, 1983, as Public Law 98-77, the Emergency Veterans' Job Training Act of 1983.

With respect to veterans' employment, Public Law 98-77:

- (1) Established a program designed to provide certain unemployed Korean conflict and Vietnam-era veterans with opportunities for employment in stable and permanent positions involving significant training. To be eligible, a veteran must have been unemployed for at least 15 to 20 weeks immediately preceding the date of the veteran's application for participation in the program. The VA has primary responsibility for administering the program except that the Department of Labor has certain responsibility for information and outreach, counseling, and assisting veterans and employers in applying.

(2) Authorized a maximum of 15 months of training assistance for veterans with service-connected disabilities rated at 30 percent or more or at 10 percent or 20 percent in the case of veterans determined to have serious employment handicaps. In the case of all other eligible veterans, the maximum period is 9 months.

(3) Specified that training must be for a period of not less than 6 months in an occupation in a growth industry, an occupation requiring the use of new technological skills, or an occupation for which demand for labor exceeds supply. Under certain circumstances, the Administrator may approve programs which would provide training for at least 3 but less than 6 months.

(4) Authorized payments to employers to defray the cost of training. Payments are to be made every 3 months and are limited to 50 percent of the starting wage up to a total of \$10,000 per veteran. The VA may make monthly payments to employers with relatively few employees.

(5) Authorized appropriation to the VA of \$150 million for each of fiscal years 1984 and 1985 for the purposes of making payments under this Act.

(6) Authorized an expansion of the so-called "targeted delimiting date extension" under the Vietnam-era GI bill (under which certain veterans who are in need of vocational training, but whose 10-year period of GI bill eligibility have expired, have until December 31, 1984, to pursue vocational courses) to include the pursuit of an associate degree program that is predominantly vocational in content. Funding under this provision is limited to \$25 million of the \$300 million authorized by this Act to be appropriated in fiscal years 1984 and 1985.

(7) Assigned to the Department of Labor primary responsibility for the development of employment and job training opportunities under this Act.

C. SECOND SESSION

During the 98th Congress, a law was enacted which contained provisions concerning the employment of veterans.

Public Law 98-543, the Veterans' Benefits Improvements Act of 1984, enacted on October 24, 1984, contained provisions which:

(1) Extended for 2 years, until September 30, 1986, the Veterans' Readjustment Appointment (VRA) Program; increased to GS-9 the maximum grade level for which VRA appointments may be made; and provided limited appeal rights for certain VRA appointees.

(2) Extended from March 1 to September 1, 1985, the date by which veterans previously certified may begin a training program under the Emergency Veterans' Job Training Act (EVJTA), Public Law 98-77; extended the life of a veteran's certificate of eligibility for training under the EVJTA from 60 to 90 days; and extended by 3 months, until February 28, 1985, the date by which a veteran must apply for training under the EVJTA.

IX. CLAIMS ADJUDICATION AND JUDICIAL REVIEW

A. OVERVIEW

Under current law, a decision of the Administrator on a claim for benefits is final and generally cannot be reviewed by a court. Some courts have permitted review in cases in which constitutional issues have been raised or a question has been raised as to whether the decision represents action beyond the scope of the Administrator's statutory authority. The preclusion of judicial review, together with a statutory limit of \$10 on the amount an attorney may receive for representing an individual with a claim for benefits before the VA, combine to leave the VA unique among major Federal agencies in the manner in which it administers benefits. In addition, the Administrative Procedure Act (APA) provisions relating to agency rulemaking do not presently require VA compliance with APA rulemaking procedures of notice and comment.

B. FIRST SESSION

During the First Session of the 98th Congress, the Committee held a hearing on March 23, 1983, to consider S. 636, a bill to, among other things, provide for judicial review of certain final decisions of the Administrator of Veterans' Affairs and to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the VA. Testimony was heard from representatives of the Veterans' Administration, American Bar Association, and various veterans' service organizations.

After reviewing the testimony received during the hearing, the Committee met in open session on April 20, 1983, to consider S. 636. The Committee voted to report S. 636, as amended (S. Rept. 98-130). On June 15, 1983, the Senate passed H.R. 2936, after striking all after the enacting clause and inserting in lieu thereof the text of S. 636 as amended.

C. SECOND SESSION

Included in the Veterans' Compensation and Program Improvements Amendments of 1984, Public Law 98-223, are provisions which:

- (1) Increased the authorized number of members of the Board of Veterans' Appeals from 50 to 65; and
- (2) Authorized the appointment of temporary members to the Board for a term of not more than 1 year each when all positions on the Board are filled, and of acting members, for a period of not more than 90 days, to serve in the absence of regular members.

X. BURIAL BENEFITS

A. OVERVIEW

The burial benefits program provides for the following: The payment of an allowance of \$300 (plus transportation charges where death occurs under VA care) to help defray the burial and funeral

expenses of an eligible deceased veteran; the payment of an allowance of \$150 for a burial plot in cases where an eligible veteran is not buried in a national cemetery or other cemetery under the jurisdiction of the United States; the payment of a burial allowance of up to \$1,100 when a veteran dies as a result of service-connected disability; a flag to drape over the casket of each eligible deceased veteran; a headstone or marker for the grave of a veteran and of certain eligible dependents, or a cash allowance toward the purchase thereof.

B. FIRST AND SECOND SESSIONS

The House and Senate Veterans' Affairs Committees held a joint hearing on November 16, 1983, to review the adequacy of VA standards and procedures with respect to funeral and burial services. Testimony was received from Senators John Warner and David Pryor, representatives of the Veterans' Administration, and various veterans' service organizations.

The Committee examined other issues with respect to burial benefits to veterans. However, no legislative action was taken.

XI. HOME LOAN GUARANTY PROGRAM

A. OVERVIEW

The VA Home Loan Guaranty Program is designed to encourage and facilitate extension of favorable credit terms by private lenders to veterans for the purchase, construction, or improvement of homes to be occupied by veterans and their families. The program operates by substituting the Federal Government's guaranty to lenders against financial loss on loans to veterans for the investment protection afforded under conventional mortgage terms by substantial downpayments and relatively shorter loan terms. Eligible veterans are thus able to finance home purchases even though they may not have the resources to qualify for conventional loans.

Veterans other than service-connected-disabled veterans are charged a 1-percent loan origination fee by the VA. Under present law, home loans may be guaranteed up to 60 percent of the amount of the loan, but not to exceed \$27,500. In the event of an insoluble default, the VA, through its contract of guaranty, will make good any loss sustained by the holder of the loan, up to the amount of the guaranty, and in some cases, to accept title to the property for ultimate disposition.

B. FIRST SESSION

On June 8, 1983, the Committee held a hearing to consider, among other things, legislation relating to the VA loan guaranty program. Among those bills considered were S. 1318, a bill to preclude certain restrictions on the authority to guarantee or insure certain veterans' loans in the total amount provided by law, and S. 1402, a bill to permit substitution of a veteran's home loan entitlement when the veteran transferee is not an immediate transferee. Testimony was received from representatives of the Veterans' Administration and various veterans' service organizations. During the July 21, 1983, full Committee meeting, provisions derived from

S. 1402 were incorporated into S. 1388 as reported. Additionally, on March 7, 1984, the Committee ordered reported S. 2391, a bill to provide for the loan origination fee receipts to be deposited in the Loan Guaranty Revolving Fund and to increase the fee from one-half to 1 percent. S. 2391 as reported on March 22, 1984 (S. Rept. 98-366), and modified by amendment No. 2375 was passed by the Senate on March 30, 1984. In the House, the bill was referred to the Veterans' Affairs Committee on April 2, 1984. Although the House took no further action on this bill, comparable provisions were included in a House-passed bill that was ultimately enacted as Public Law 98-369, the Deficit Reduction Act of 1984.

Title V of Division B of Public Law 98-369 contained provisions affecting the VA's home loan guaranty program which:

(1) Provided that the loan origination fee on VA-guaranteed home loans is to be deposited in the VA Loan Guaranty Revolving Fund (LGRF) rather than in the Treasury as general revenue.

(2) Increased the fee from one-half percent to 1 percent of the loan amount.

(3) Extended for 2 years, until September 30, 1987, the expiration date of the fee provision.

(4) Specified, for the 3-year period beginning October 1, 1984, circumstances under which the VA, in the case of foreclosure on a property securing a loan that has gone into default, is required to acquire and is precluded from acquiring the property at a liquidation sale.

(5) Required the Administrator of Veterans' Affairs to authorize VA attorneys, subject to the Attorney General's authority to direct and supervise litigation involving the United States or an officer or agency thereof, to exercise the right of the United States to bring suits to foreclosure home loans made or acquired by the VA and to recover possession of properties acquired by the Administrator, and authorized the Administrator, with the concurrence of the Attorney General, to acquire the services of private attorneys to bring such suits.

(6) Require the Administrator not later than December 1, 1986, to submit to the House and Senate Veterans' Affairs Committees a report on the administration and functioning of the VA's loan guaranty program, and the status of the Loan Guaranty Revolving Fund.

(7) During the 3-year period beginning October 1, 1984, require the Administrator generally to minimize, within certain specified limits, the number of loans (known as "vendee loans") made by the VA to finance the purchase from it of acquired properties and prohibit the VA from selling vendee loans with recourse unless the Administrator determined that doing so was necessary in order to maintain the effective functioning of the loan guaranty program.

C. SECOND SESSION

On February 29, 1984, the Committee held a hearing to consider S. 1922 and S. 2265. Testimony was received from representatives of the Veterans' Administration, Congressional Budget Office, the

Federal National Mortgage Association, Mortgage Bankers Association of America, and various veterans' service organizations. On June 27, 1984, the Committee held a hearing to consider, among other things, legislation concerning the VA loan guaranty program.

As previously noted, legislation was enacted on March 2, 1984, as the Veterans' Compensation and Program Improvements Amendments of 1984 (Public Law 98-223).

As enacted, Public Law 98-223 contained provisions affecting the VA's home loan guaranty program which:

(1) Permit substitution of a veteran's guaranty entitlement when a veteran-transferee is not an immediate transferee.

(2) Provide for the guaranty of a loan to a veteran for the purchase of a manufactured home (or the refinancing of a loan previously made for the purchase of a manufactured home) on the same terms and conditions as a loan for a conventionally-built home if two criteria are met: First, the manufactured home is or will be permanently affixed to a lot owned or being purchased by the veteran; and, second, as so affixed, the home is regarded as real property under the laws of the State in which the home is located.

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